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State of Utah

DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

Supervisor DR7

Inspection Report Minerals Regulatory Program

Report Date: November 19, 2004

Mine Name: DKG Quarry

Operator or Permittee Name:

Diamond K Gypsum

Permittee Mailing Address:

1720 S. Red Hills Dr., Richfield, UT 84701-7003

Inspector(s): Paul Baker

Permit number: M/015/041

Inspection Date: November 5 and 18, 2004

Weather: Clear, 40's both days

Inspection Start Time: 10:45 A.M. both days

Inspection End Time: 11:30 A.M. and 12:15 P.M.

Site location/Area Inspected (i.e. Pit #):

Entire Area

Surface Ownership: BLM

Mineral Ownership: BLM

Mineral Mined: Gypsum

Type of Mine: Surface

Other Participants: Clint Henry and Kevin Rasmussen

Permit Status: Active

Current Acreages:

Total Permitted (Bonded): 12

Total Disturbed: 16.7 (9.45 acres being reclaimed)

Elements of Inspection	Evaluated	N/A	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (open shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Explosives, magazines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Demolition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Backfilling and Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

The operator has begun reclaiming nearly the entire southeast portion of the quarry. I wanted to see the site during reclamation operations to see if I could make any suggestions.

Inspection Summary:

3. Protection of Drainages

The operator mines gypsum from relatively small (about 5-10 acre) "plateaus" between more deeply eroded areas. There are several small drainages coming off the mining areas into the larger drainages. The operator is working to tie the regraded areas into these drainages (Photo 1) and should continue to do this as much as possible.

Mr. Henry and I looked at an area where the operator may want to expand operations within the next year. The topography is similar to the areas currently being mined except that some of the small drainages are a little larger and are more of a hindrance to efficient mining operations. For this reason, the operator may want to fill in some of these drainages to facilitate using a larger portion of the area. I told Mr. Henry they could fill in the smaller drainages but that drainage control would need to be reestablished when the site is reclaimed. This does not mean the material put into these drainages would need to be pulled out. Rather, the operator would need to establish paths for the water to flow so it can get to the main drainages.

10. Backfilling and Grading

Photo 4 is a composite of four photographs and shows the main area being regraded. The grading is being done to give some variety to the terrain, and I am pleased with the work so far. The operator needs to keep in mind how water would flow and how it would get to the main drainages.

Some work will need to be done to blend the edges of the disturbed area into the undisturbed area. A specific area we discussed is shown in Photo 2. The berm on the right side of this photo is the edge of the disturbed area, and grading can be done down to this point.

One area on the east side has been completed, including seeding (Photo 3). The operator has done a very good job roughening this area.

There are some large rocks on the surface (Photo 4), but anything the operator can do to also have more small rocks—sandstone, gypsum—would be beneficial.

13. Revegetation

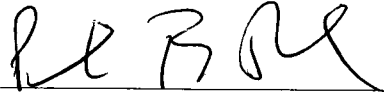
I took a small sample of the seed and will do a simple, non-official germination test. If it looks like there might be problems, I will either take a sample to the seed lab or encourage the operator to do this. The seed is properly labeled and came from a reputable dealer, so I do not anticipate any problems.

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GPS data:

I took GPS points around the edge of the area being reclaimed and was able to manipulate these to determine an acreage figure. The area being reclaimed is about 9.45 acres.

Inspector's Signature

A handwritten signature in dark ink, appearing to read 'K. Palmer', written over a horizontal line.

Date: November 19, 2004

PBB:jb

Enclosures: Photo attachment

cc: Karen Palmer, Diamond K
Angela Wadman, Price BLM

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ATTACHMENT

Photographs

M/015/041, DKG Gypsum Quarry, Diamond K Gypsum

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Photo 1. Regraded area being tied in to natural drainage.



Photo 3. This area has been graded and seeded. Note the roughness. This should help hold the seed and water.

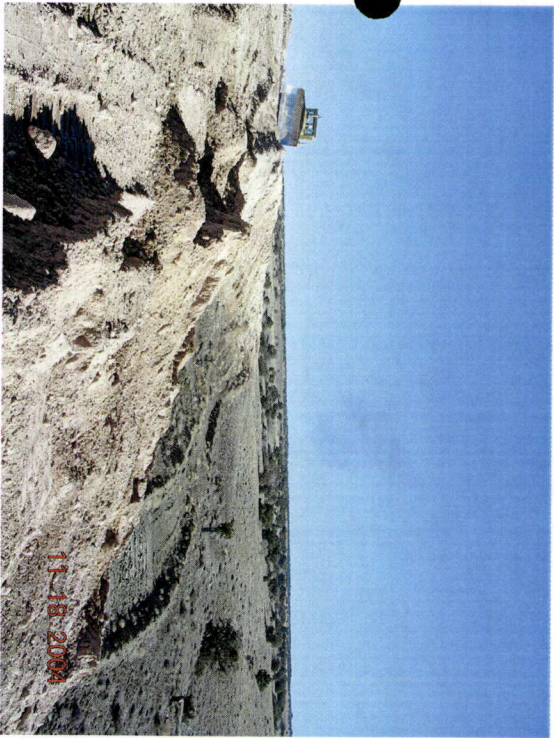


Photo 2. The edge of the disturbed areas will need to be blended as well as possible with undisturbed areas.

ATTACHMENT
Photographs

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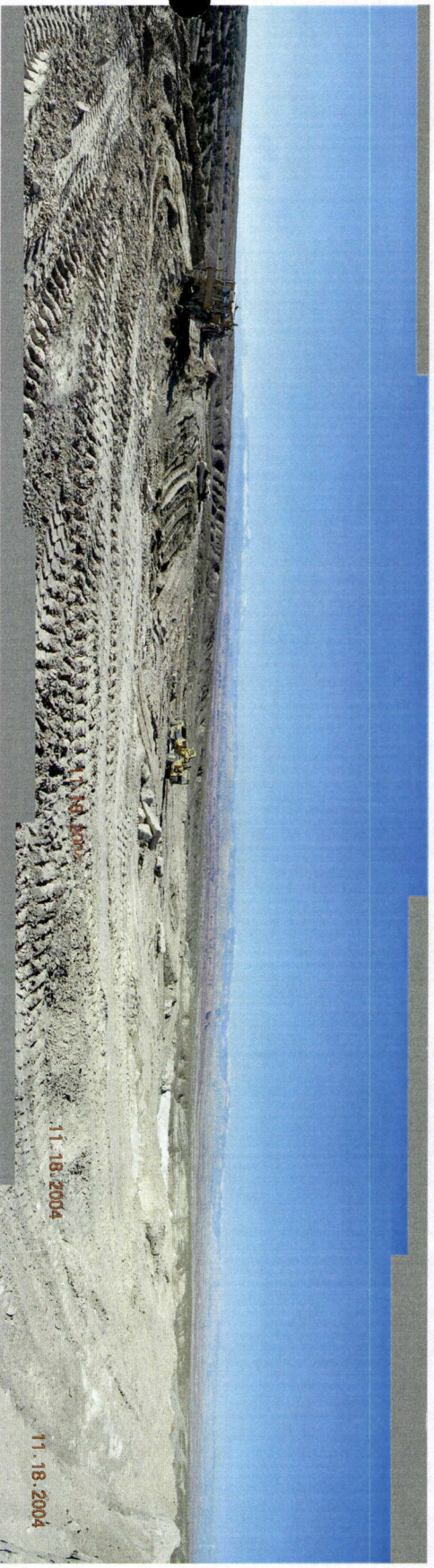


Photo 4. Panorama of the area being reclaimed. There is some distortion in this picture.

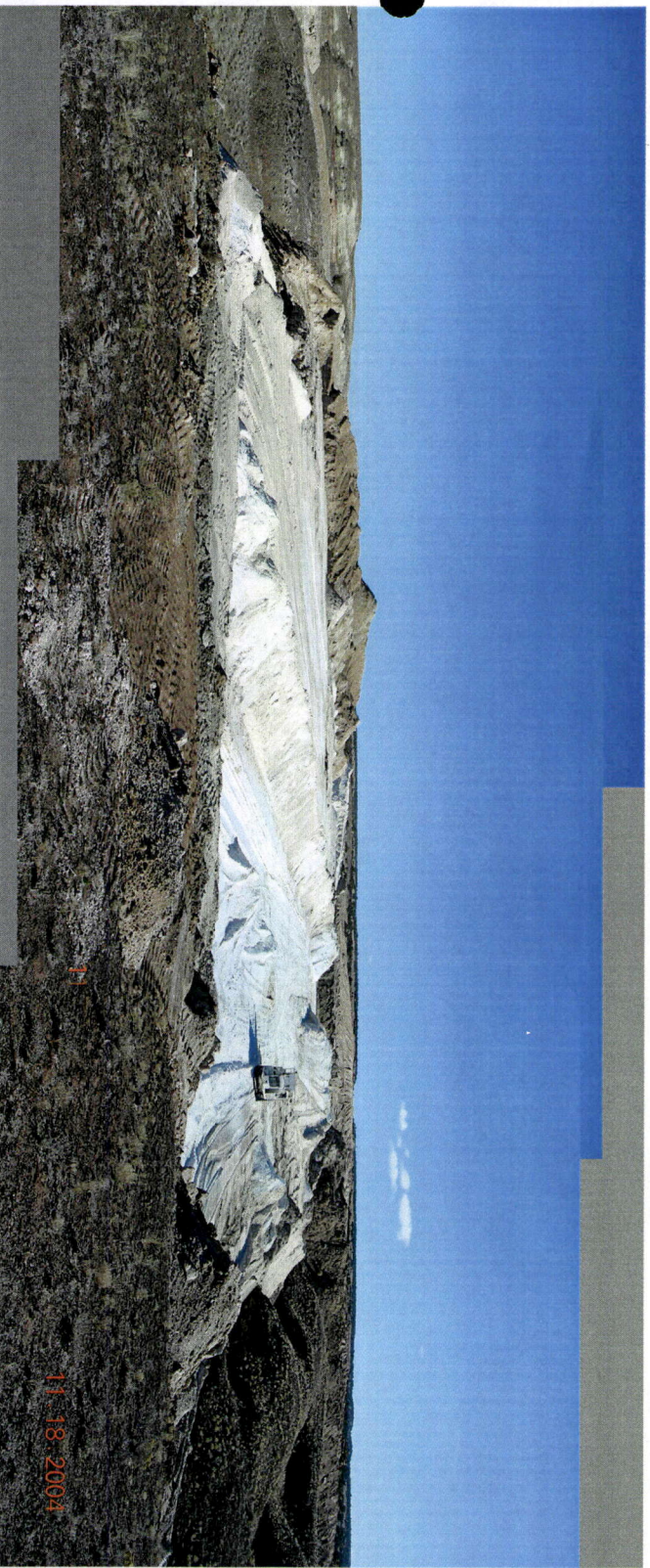


Photo 5. The active mining area. This is to the west of the area being reclaimed.